

**CITY OF BISMARCK POLICE PENSION FUND  
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2003**

	December-03					September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Net ROR	Net ROR	6/30/2003	6/30/2003
<b>LARGE CAP DOMESTIC EQUITY</b>													
<i>Structured Growth</i>													
LA Capital	629,523	5.1%	5.1%	9.09%	2.11%	576,605	5.0%	5.1%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
<b>Total Structured Growth</b>	<b>629,523</b>	<b>5.1%</b>	<b>5.1%</b>	<b>9.09%</b>	<b>2.11%</b>	<b>576,605</b>	<b>5.0%</b>	<b>5.1%</b>	<b>6.61%</b>	<b>16.31%</b>	<b>-1.48%</b>	<b>-20.46%</b>	<b>-5.64%</b>
<i>Russell 1000 Growth</i>				10.41%	3.46%				3.92%	14.74%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>													
<b>LSV</b>	<b>694,427</b>	<b>5.6%</b>	<b>5.1%</b>	<b>15.58%</b>	<b>5.58%</b>	<b>602,231</b>	<b>5.3%</b>	<b>5.1%</b>	<b>3.33%</b>	<b>19.42%</b>	<b>-2.05%</b>	<b>9.06%</b>	<b>3.95%</b>
<i>Russell 1000 Value</i>				14.19%	6.16%				2.06%	16.54%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>													
<b>LA Capital</b>	<b>651,528</b>	<b>5.2%</b>	<b>5.1%</b>	<b>11.77%</b>	<b>4.38%</b>	<b>582,817</b>	<b>5.1%</b>	<b>5.1%</b>	<b>2.87%</b>	<b>14.98%</b>	<b>1.08%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				12.26%	4.79%				3.00%	15.63%	0.96%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>													
Northern Trust	616,597	5.0%	5.1%	12.40%	5.46%	548,484	4.8%	5.1%	2.50%	15.21%	0.28%	N/A	N/A
Strong	635,753	5.1%	5.1%	12.76%	5.50%	563,874	4.9%	5.1%	2.89%	16.02%	3.30%	N/A	N/A
Westridge	671,794	5.4%	5.1%	12.22%	5.24%	598,645	5.2%	5.1%	2.65%	15.19%	0.56%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>1,924,144</b>	<b>15.5%</b>	<b>15.4%</b>	<b>12.46%</b>	<b>5.40%</b>	<b>1,711,003</b>	<b>15.0%</b>	<b>15.4%</b>	<b>2.68%</b>	<b>15.47%</b>	<b>1.35%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	N/A	N/A
<i>S&amp;P 500 Index</i>													
<b>State Street</b>	<b>436,012</b>	<b>3.5%</b>	<b>3.4%</b>	<b>12.16%</b>	<b>5.24%</b>	<b>388,694</b>	<b>3.4%</b>	<b>3.4%</b>	<b>2.64%</b>	<b>15.12%</b>	<b>0.31%</b>	<b>-11.14%</b>	<b>-1.58%</b>
<i>S&amp;P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>4,335,635</b>	<b>34.8%</b>	<b>34.3%</b>	<b>12.31%</b>	<b>4.77%</b>	<b>3,861,350</b>	<b>33.7%</b>	<b>34.3%</b>	<b>3.02%</b>	<b>15.70%</b>	<b>0.49%</b>	<b>-9.68%</b>	<b>-2.32%</b>
<i>S&amp;P 500</i>				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
<b>SMALL CAP DOMESTIC EQUITY</b>													
<i>Manager-of-Managers</i>													
<b>SEI</b>	<b>1,419,310</b>	<b>11.4%</b>	<b>10.7%</b>	<b>14.87%</b>	<b>2.39%</b>	<b>1,323,970</b>	<b>11.6%</b>	<b>10.7%</b>	<b>9.68%</b>	<b>25.99%</b>	<b>0.68%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				15.07%	2.20%				9.60%	26.12%	0.37%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,419,310</b>	<b>11.4%</b>	<b>10.7%</b>	<b>14.87%</b>	<b>2.39%</b>	<b>1,323,970</b>	<b>11.6%</b>	<b>10.7%</b>	<b>9.68%</b>	<b>25.99%</b>	<b>0.68%</b>	<b>-3.37%</b>	<b>-0.65%</b>
<i>Russell 2000</i>				14.52%	2.03%				9.07%	24.91%	-1.64%	-3.30%	0.97%
<b>INTERNATIONAL EQUITY</b>													
<i>Large Cap - Core</i>													
<b>State Street</b>	<b>154,792</b>	<b>1.2%</b>	<b>1.1%</b>	<b>14.32%</b>	<b>6.62%</b>	<b>136,342</b>	<b>1.2%</b>	<b>1.1%</b>	<b>6.08%</b>	<b>21.27%</b>	<b>-9.96%</b>	<b>-13.28%</b>	<b>-4.72%</b>
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>													
Capital Guardian	374,016	3.0%	2.8%	13.62%	5.70%	331,600	2.9%	2.8%	7.45%	22.07%	-11.30%	-14.96%	0.47%
Bank of Ireland	73,556	0.6%	0.6%	17.43%	7.54%	63,096	0.6%	0.6%	2.64%	20.53%	-10.28%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>447,572</b>	<b>3.6%</b>	<b>3.3%</b>	<b>14.22%</b>	<b>6.00%</b>	<b>394,696</b>	<b>3.4%</b>	<b>3.3%</b>	<b>6.65%</b>	<b>21.82%</b>	<b>-11.12%</b>	<b>-14.58%</b>	<b>0.74%</b>
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>													
Lazard	74,273	0.6%	0.6%	14.41%	5.50%	72,299	0.6%	0.6%	10.66%	26.61%	-2.32%	N/A	N/A
Wellington	74,138	0.6%	0.6%	11.59%	4.79%	75,850	0.7%	0.6%	17.22%	30.80%	5.97%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>148,412</b>	<b>1.2%</b>	<b>1.1%</b>	<b>12.90%</b>	<b>5.14%</b>	<b>148,148</b>	<b>1.3%</b>	<b>1.1%</b>	<b>13.94%</b>	<b>28.64%</b>	<b>1.75%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				13.31%	6.10%				15.95%	31.39%	3.91%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>750,775</b>	<b>6.0%</b>	<b>5.5%</b>	<b>13.97%</b>	<b>5.96%</b>	<b>679,186</b>	<b>5.9%</b>	<b>5.5%</b>	<b>8.04%</b>	<b>23.13%</b>	<b>-8.22%</b>	<b>-12.63%</b>	<b>-0.99%</b>
<i>MSCI EAFE - 50% Hedged</i>				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<b>EMERGING MARKETS EQUITY</b>													
<b>Capital Guardian</b>	<b>264,840</b>	<b>2.1%</b>	<b>2.0%</b>	<b>14.85%</b>	<b>7.28%</b>	<b>251,157</b>	<b>2.2%</b>	<b>2.0%</b>	<b>14.62%</b>	<b>31.64%</b>	<b>7.15%</b>	<b>-10.61%</b>	<b>1.62%</b>
<i>MSCI Emerging Markets Free</i>				17.81%	7.25%				14.23%	34.57%	6.96%	-7.07%	2.49%
<b>DOMESTIC FIXED INCOME</b>													
<i>Core Bond</i>													
<b>Western Asset</b>	<b>452,841</b>	<b>3.6%</b>	<b>3.9%</b>	<b>1.24%</b>	<b>1.25%</b>	<b>434,842</b>	<b>3.8%</b>	<b>3.9%</b>	<b>-0.47%</b>	<b>0.76%</b>	<b>13.42%</b>	<b>11.88%</b>	<b>8.58%</b>
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Active Duration</i>													
<b>WestAM (Criterion)</b>	<b>443,871</b>	<b>3.6%</b>	<b>3.9%</b>	<b>0.31%</b>	<b>1.10%</b>	<b>429,801</b>	<b>3.8%</b>	<b>3.9%</b>	<b>-0.40%</b>	<b>-0.08%</b>	<b>9.93%</b>	<b>9.39%</b>	<b>6.85%</b>
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Index</i>													
Bank of ND	697,644	5.6%	6.6%	-0.10%	1.01%	690,530	6.0%	6.5%	-0.73%	-0.83%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	111,418	0.9%	0.9%	1.41%	0.47%	111,218	1.0%	1.0%	1.43%	2.86%	5.83%	5.84%	5.85%
<b>Total Index</b>	<b>809,062</b>	<b>6.5%</b>	<b>7.5%</b>	<b>0.23%</b>	<b>0.89%</b>	<b>801,749</b>	<b>7.0%</b>	<b>7.5%</b>	<b>-0.21%</b>	<b>0.02%</b>	<b>10.77%</b>	<b>10.08%</b>	<b>7.44%</b>
<i>Lehman Gov/Credit</i>				-0.03%	0.99%				-0.50%	-0.53%	13.15%	10.82%	7.83%

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	Market Value	Allocation	Actual	Quarter	Month	Market Value	Allocation	Actual	Quarter	Fiscal YTD	FY03	Ended	Ended
		Policy		Net ROR	Net ROR				Net ROR	Net ROR		6/30/2003	6/30/2003
												Net	Net
<b>Convertibles</b>													
<b>TCW</b>	<b>490,398</b>	<b>3.9%</b>	<b>3.9%</b>	<b>10.00%</b>	<b>3.72%</b>	<b>442,428</b>	<b>3.9%</b>	<b>3.9%</b>	<b>1.84%</b>	<b>12.03%</b>	<b>10.37%</b>	<b>-9.08%</b>	<b>N/A</b>
<i>First Boston Convertible Index</i>				8.54%	2.79%				2.67%	11.44%	15.35%	-3.81%	N/A
<b>BBB Average Quality</b>													
<b>Strong</b>	<b>448,539</b>	<b>3.6%</b>	<b>3.9%</b>	<b>1.47%</b>	<b>1.73%</b>	<b>438,673</b>	<b>3.8%</b>	<b>3.9%</b>	<b>0.16%</b>	<b>1.63%</b>	<b>14.81%</b>	<b>10.35%</b>	<b>N/A</b>
<i>Lehman BBB</i>				1.22%	1.41%				0.27%	1.50%	18.33%	9.91%	N/A
<b>Timberland</b>													
<b>Evergreen (Wachovia)</b>	<b>867,709</b>	<b>7.0%</b>	<b>7.0%</b>	<b>6.11%</b>	<b>-0.05%</b>	<b>810,346</b>	<b>7.1%</b>	<b>7.1%</b>	<b>-0.15%</b>	<b>5.95%</b>	<b>12.50%</b>	<b>N/A</b>	<b>N/A</b>
												N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>3,512,421</b>	<b>28.2%</b>	<b>30.0%</b>	<b>3.16%</b>	<b>1.21%</b>	<b>3,357,839</b>	<b>29.3%</b>	<b>30.0%</b>	<b>0.11%</b>	<b>3.27%</b>	<b>11.62%</b>	<b>6.95%</b>	<b>6.77%</b>
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<b>HIGH YIELD BONDS</b>													
<b>Western Asset</b>	<b>586,065</b>	<b>4.7%</b>	<b>5.0%</b>	<b>5.54%</b>	<b>2.32%</b>	<b>555,311</b>	<b>4.9%</b>	<b>5.0%</b>	<b>1.99%</b>	<b>7.63%</b>	<b>20.04%</b>	<b>2.51%</b>	<b>4.15%</b>
<i>Lehman High Yield Bond Index</i>				5.91%	2.26%				2.77%	8.85%	22.77%	5.44%	2.66%
<b>INTERNATIONAL FIXED INCOME</b>													
<b>International Sovereign</b>													
<b>UBS Global (Brinson)</b>	<b>283,309</b>	<b>2.3%</b>	<b>2.3%</b>	<b>6.49%</b>	<b>4.68%</b>	<b>242,751</b>	<b>2.1%</b>	<b>2.3%</b>	<b>3.18%</b>	<b>9.88%</b>	<b>18.20%</b>	<b>8.47%</b>	<b>5.93%</b>
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
<b>International Core</b>													
<b>Brandywine</b>	<b>286,540</b>	<b>2.3%</b>	<b>2.3%</b>	<b>7.30%</b>	<b>4.91%</b>	<b>237,577</b>	<b>2.1%</b>	<b>2.3%</b>	<b>1.51%</b>	<b>8.92%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Global Aggregate (ex-US)</i>				6.77%	4.89%				2.76%	9.72%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>569,849</b>	<b>4.6%</b>	<b>4.5%</b>	<b>6.91%</b>	<b>4.80%</b>	<b>480,327</b>	<b>4.2%</b>	<b>4.5%</b>	<b>2.34%</b>	<b>9.41%</b>	<b>17.83%</b>	<b>8.36%</b>	<b>5.86%</b>
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
<b>REAL ESTATE</b>													
<b>J.P. Morgan</b>	<b>562,034</b>	<b>4.5%</b>	<b>5.0%</b>	<b>3.16%</b>	<b>1.18%</b>	<b>544,842</b>	<b>4.8%</b>	<b>5.0%</b>	<b>2.43%</b>	<b>5.66%</b>	<b>7.80%</b>	<b>7.36%</b>	<b>10.23%</b>
<i>NCREIF TOTAL INDEX</i>				1.97%	0.65%				1.97%	3.98%	7.64%	8.51%	10.16%
<b>ALTERNATIVE INVESTMENTS</b>													
<i>Coral Partners V</i>	64,381			-1.26%	-1.26%	58,940			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
<i>Coral Partners V - Supplemental</i>	3,203			-0.95%	-0.95%	3,066			-15.67%	-16.47%	-28.36%	N/A	N/A
<i>Coral Partners VI</i>	9,649			-4.63%	-4.63%	9,594			-12.18%	-16.25%	N/A	N/A	N/A
<i>Brinson 1998 Partnership Fund</i>	10,968			2.36%	4.04%	10,757			4.07%	6.53%	-14.73%	-11.35%	1.31%
<i>Brinson 1999 Partnership Fund</i>	14,715			4.99%	4.99%	13,290			0.98%	6.02%	-16.31%	-14.42%	N/A
<i>Brinson 2000 Partnership Fund</i>	25,024			2.47%	2.30%	21,368			0.67%	3.15%	-13.99%	-9.08%	N/A
<i>Brinson 2001 Partnership Fund</i>	7,670			-1.11%	-1.11%	7,354			0.43%	-0.68%	-5.98%	N/A	N/A
<i>Brinson 2002 Partnership Fund</i>	5,187			-1.16%	-1.16%	4,976			12.21%	10.91%	9.08%	N/A	N/A
<i>Brinson 2003 Partnership Fund</i>	507			-0.24%	-0.24%	482			-3.58%	-3.81%	N/A	N/A	N/A
<i>Brinson 1999 Non-US Partnership Fund</i>	7,041			5.58%	5.35%	7,277			6.32%	12.25%	13.12%	2.21%	N/A
<i>Brinson 2000 Non-US Partnership Fund</i>	9,492			0.52%	0.52%	8,954			2.82%	3.35%	9.50%	-1.63%	N/A
<i>Brinson 2001 Non-US Partnership Fund</i>	5,218			1.18%	1.18%	4,890			7.50%	8.77%	-0.41%	N/A	N/A
<i>Brinson 2002 Non-US Partnership Fund</i>	7,904			0.96%	0.96%	6,766			3.71%	4.71%	5.34%	N/A	N/A
<i>Brinson 2003 Non-US Partnership Fund</i>	1,349			0.05%	0.02%	440			-0.05%	0.00%	N/A	N/A	N/A
<i>Brinson BVCF IV</i>	36,082			-3.67%	0.00%	35,517			-1.02%	-4.65%	-14.64%	-18.80%	N/A
<i>Matlin Patterson Global Opportunities</i>	84,515			10.99%	0.00%	72,204			0.00%	10.99%	N/A	N/A	N/A
<i>InvestAmerica</i>	10,702			0.00%	0.00%	10,148			0.00%	0.00%	-12.50%	N/A	N/A
<i>Hearthstone MSII</i>	12,141			15.36%	0.00%	13,716			5.06%	21.20%	28.98%	13.57%	N/A
<i>Hearthstone MSIII</i>	30,686			0.00%	0.00%	1,714			N/A	N/A	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (2)</b>	<b>346,433</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.15%</b>	<b>0.23%</b>	<b>291,452</b>	<b>2.5%</b>	<b>3.0%</b>	<b>-1.01%</b>	<b>2.11%</b>	<b>-9.78%</b>	<b>-11.43%</b>	<b>-6.84%</b>
<b>CASH EQUIVALENTS</b>													
<b>Northern Trust STIF/STEP</b>	<b>95,080</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.32%</b>	<b>0.09%</b>	<b>98,579</b>	<b>0.9%</b>	<b>0.0%</b>	<b>0.35%</b>	<b>0.67%</b>	<b>1.84%</b>	<b>3.33%</b>	<b>4.22%</b>
<i>90 Day T-Bill</i>				0.26%	0.10%				0.25%	0.50%	1.52%	3.33%	4.07%
<b>TOTAL FUND</b>	<b>12,442,442</b>	<b>100.0%</b>	<b>100.0%</b>	<b>8.68%</b>	<b>3.11%</b>	<b>11,444,013</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.27%</b>	<b>12.23%</b>	<b>5.32%</b>	<b>-1.84%</b>	<b>2.29%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>7.62%</b>	<b>3.15%</b>				<b>2.85%</b>	<b>10.69%</b>	<b>4.99%</b>	<b>-1.79%</b>	<b>2.88%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.